

Exhibit 74

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To: Tara Connell
From: Marc Ratner
Sent: Thur 5/10/2012 8:17:41 PM
Importance: Normal
Subject: Re: Meltzer on FOX show
Received: Thur 5/10/2012 8:17:41 PM

Thanks

From: Tara Connell
Sent: Thursday, May 10, 2012 01:14 PM
To: Marc Ratner
Subject: FW: Meltzer on FOX show

From: John Mulkey
Sent: Thursday, May 10, 2012 9:09 AM
To: Tara Connell
Subject: FW: Meltzer on FOX show

From: Caren Bell
Sent: Thursday, May 10, 2012 6:21 AM
To: D F. W; Lorenzo Fertitta; Kirk Hendrick; Lawrence Epstein; Bryan Johnston; John Mulkey; Craig Borsari
Subject: Meltzer on FOX show

The story of UFC's third show on FOX is not that the company finally had a top-notch show, but that they had a genuine XFL caliber ratings disaster.

The 5/5 show did a 1.5 rating and 2,418,000 viewers, peaking at 2.9 million viewers for the Jim Miller vs. Nate Diaz main event. Viewership was down 48% from the 1/28 show, which did a 2.6 rating and 4.7 million viewers. The show did 34% below what COPS was doing this season in the time slot.

Males 18-34 declined from a 3.2 to a 1.6. These are not the kind of numbers that can keep you in prime time. The prelim fights on Fuel did 88,000 viewers, which is barely more than The Miz vs. Santino Marella did the week before on Facebook (although the WWE number was worldwide and Fuel is only a U.S. number in limited homes). The fuel prelims on 1/28 did 144,000 viewers.

Even with the weak card, the UFC brand name alone should have meant something. It was the lowest rating for a network TV MMA show in history, beating the bottom mark set by Elite XC in 2008 for a CBS show headlined by Robbie Lawler vs. Scott Smith that did a 1.75.

There are plenty of excuses to go around, from the Floyd Mayweather Jr. vs. Miguel Cotto fight, to the opening of "The Avengers," (which did \$69.6 million on that night, which is well over 6 million people, a strong percentage in the age group that UFC is going after and ended up doing the biggest opening weekend of all-time), to NHL and NBA playoffs and baseball. And they are all valid to a degree. The one about Cinco de Mayo and people partying is not valid because Cinco de Mayo has historically been a great night for boxing, and in some parts of the country (the ones where it's a holiday), historically for pro wrestling. And the show was not well marketed. FOX didn't advertise it as hard as the previous shows. A lot of their advertising on baseball consisted of listing the date and saying "four fights," not only not mentioning names of the fighters and the matches, but not mentioning UFC or even that it's MMA, as you could easily have watched it and assumed it was four boxing matches. In addition, with the Mayweather fight, Kentucky Derby and all the other sports news, they got very little mainstream. I did know of fans who told me after that they weren't even aware there was a show. UFC promoted the hell out of it through social media, and on its various Fuel properties, and it was just the latest example of how little in the big picture both mean today as far as garnering results.

The question becomes was this a one-time fluke, with all this competition, or was it due to simply presenting a lineup people weren't interested in? Or is it something worse, a question that can't be answered until 8/4,

and that is whether MMA on network TV is a novelty with a short shelf life, just like Celebrity Boxing, which did huge ratings the first time out, but only lasted a few shows with ratings declining each time out. The boxing is not an excuse, only because Manny Pacquiao fought Juan Manuel Marquez and did 1.41 million buys on PPV the same night as Cain Velasquez vs. Junior Dos Santos became, by far, the most-watched MMA fight ever in U.S. television, with the fight itself doing 9.5 million viewers between FOX and Fox Deportes.

Golden Boy Promotions CEO Richard Schaefer was saying after the Mayweather vs. Cotto fight that he believed the show would be about 2 million buys (keep in mind boxing promoters, like MMA promoters, say a lot of things, but the numbers are expected to be the biggest for any PPV since 2007 because of Mayweather, the date, and the ethnic mix of Cotto for Puerto Ricans and Canelo Alvarez for Mexicans). He said advanced orders for the show were the biggest for any Golden Boy fight in history except Mayweather vs. Oscar De La Hoya in 2007, and in some markets the advance orders were right there with it. Even if the real number is a little less, the 11/12 example would indicate that could be a positive. Dana White was promoting the idea of getting together with your buddies, watch free fights on FOX and then buy the PPV. While the PPV started at 9 p.m., the FOX show had an hour to itself. Plus there are DVRs, and the FOX fights ended well before the Alvarez vs. Shane Mosley fight, the other money fight on the boxing show, even started. I could easily see Fuel being down since there's only so much fighting you can watch in one day, and believe me, I felt that first-hand.

If it was just an unfortunate series of circumstances, it's no big deal. One rating isn't going to break a seven-year contract that is still in its infancy. But the contract has had a lot of growing pains for both sides. No matter what is said publicly, FOX didn't pay the money it did for the ratings it's getting. And UFC can't be happy that less people are watching the product than on Spike. The idea was being on FOX would create hundreds of thousands of new PPV purchasers for big events, rather than struggling to keep the fan base they already had.

If this is part of a pattern, it is a big deal. As it is, this was the single most significant television ratings for any pro wrestling or MMA event since Shamrock vs. Ortiz changed the way the television industry viewed UFC.

If the issue is that UFC has burned out its audience with too much product, and this is just an example of this, along with the TUF ratings, then it's disastrous. The reason is, overexposure is a killer that it takes a long time to recover from, if you can. More so, overexposure, ie, burning out the audience, by the time you've figured out you've done it, the damage was done months or even years earlier. In network television, a show that goes from 3.1 to 2.6 to 1.5 in the ratings in three episodes has already had its future decided in the form of a guillotine choke. The only question is if it puts you out of your misery right away, or you are stuck there for a while before suffering the same ending fate. UFC is still being called on to build Fuel TV, but we've already seen the WWE version of Saturday night wrestling that doesn't draw ratings and where that goes. If that's part of this issue, and it is at least part of it, this dates back to 2010 when the base television ratings of UFC on Spike started falling.

MMA has been around in Brazil since the 1930s, and gone through three booms, and it had a boom in Japan, and the end result is that in all cases, it never sustained. Now, there was never a UFC caliber organization and MMA is established at a certain level where it's probably going to be around in some form for a long time. But Japanese MMA was viewed by far more people on television than ever viewed UFC or ever will, with some fights drawing upwards of 30 million viewers. And it still died a few years later. And while you can point to the Yakuza issues and they were the ones that killed it, the fact was, the audience was dwindling rapidly, and that is not what killed K-1, which is also dead in Japan.

It's likely to wind up similar to boxing, where rank-and-file shows don't mean anything, but big shows with the two or three major superstars can set records on PPV. But boxing has certain edges, including an appeal to those over 40 who didn't grow up with MMA. It's got a history, and the fact to people in the media a big boxing star is a sports superstar and a big boxing event is important. UFC is still considered a novelty to a lot of decision makers, although UFC fights are inherently more entertaining. But the entertainment value of a sport means nothing. It's the importance people perceive it as having that means everything.

It's been successful for long enough that it's not a fad, but boxing isn't a fad either and if you put a secondary show on FOX on Saturday night, it's not going to last. That's why boxing hasn't been on network TV in prime time in eons.

To me, the 8/4 show at the Staples Center in Los Angeles becomes the single most important event in UFC history. Another rating like that and it will give UFC the reputation that it's fine as a cable property, but it's simply not mainstream and can't survive in the expensive real estate section of network prime.

At this point, it appears the four fights will be Brian Stann vs. Hector Lombard in a five-round main event, likely with the winner promised a shot at the middleweight title; Lyoto Machida vs. Ryan Bader; Ben Rothwell vs. Travis Browne and perhaps Terry Etim vs. Joe Lauzon (that is on the card but not a definite for the FOX show).

In comparing, while Machida was a big deal for a short period of time, so was Josh Koscheck, who was on the 5/5 show. Stann is very popular, more so than Nate Diaz. Nobody knows Hector Lombard, the Bellator champion, but he's still more marketable than Jim Miller. They are counting on Stann's back story of being a war hero, and the fact he is such a great talker, one of the best in UFC, that he can get booked on mainstream talk shows, that Diaz and Miller couldn't get on. But it's not that much better of a lineup. And while Stann is popular among UFC fans, he's not seen as a top tier superstar and has been around for years, and never on his own, whether it be in WEC or UFC, proven to be a draw. And UFC isn't loaded with big-time marketable match-ups to add that will make a difference that are available in August.

UFC has gone from a heavily promoted Velasquez vs. Dos Santos fight, which would have been closer to a 4 rating had the main event not gone one minute; to Rashad Evans, Chael Sonnen and Michael Bisping doing an acceptable number and really the perfect card from a booking standpoint as you had two fights where the winners were given exposure to set them up to do big buy rates later in the year. However it was also a risk and both big fights could have been destroyed which would have financially cost the company nearly \$20 million. Act III was great action matches that people didn't watch. That is a terrible pattern. The 8/4 show will tell whether it's just they put a series of matches people didn't want to see on television, or it's a pattern. The latter means the dilution of the value of the UFC name brand has already been done.

We did a poll, asking people who saw the previous shows and skipped this one as to why. There were a lot of different reasons, none overwhelming. Having no singular reason is bad, because that means there is no easy fix.

23% said they have lost interest in UFC because there are too many shows to keep up with. That's people who were watching it just a few months ago and that is a very bad stat when that many make that call in a short period of time. 15% went to see "The Avengers." 11% had friends or family activities that kept them from watching or they would have considered it. 9% skipped it because of what was on the card, a lower number than one would have expected. If anything, if I'm UFC, I want that number 90%, because that tells me I can get them back with a better card. Another 9% said they pick and choose UFC shows now and this didn't make the cut, even though it was free. 8% said they lost interest in UFC due to the retirement of Brock Lesnar. 8% said they skipped it to watch the Mayweather fight. 7% said they would now only watch big fights, 5% said they were watching sports other than boxing that night. 3% blamed the weather. Only 2% said that they watched preview shows for the card and they didn't get interested. Virtually nobody (0.2%) said they skipped the show because none of their friends wanted to see it.